

UK ESG Procurement Policies

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CBRE UK ESG Procurement Policy

1. Overview

This policy sets out CBRE UK's policy in relation to Environmental, Social and Governance (ESG) factors within its supply chain, and includes the following trading entities and its subsidiaries: CBRE UK Limited; CBRE UK Managed Services Limited; and CBRE UK GWS Limited. Where "CBRE UK", "our" or "we" is stated in this document it is in reference to these three entities.

The foundation of our responsible business commitments is our ESG strategy, which consists of three pillars; People, Planet and Practices. Our mission is to be a responsible occupier and custodian of the buildings we occupy and to manage our environmental and social impacts to create net positive benefits across all of our UK corporate offices and communities within which we operate.

Our supply chain plays an important part in driving our overall ESG strategy, both in how we operate and how we interact with our suppliers. Our aim is for our supply chain to be a leading example of responsible business with the key objectives of achieving net zero carbon, encouraging diversity and facilitating positive working conditions.

A company must have policies and processes in place that enable it and its employees to create positive supply chain impacts. Every employee and supplier of CBRE UK is responsible for adhering to this policy and its objectives.

2. Our Commitments

We have made the following key commitments to support this Policy:

1. Transparency – we are committed to clearly communicating our goals and ambitions and publicizing our progress so that we remain publicly accountable for our progress
2. Collaboration- we are committed to engaging with suppliers to promote principles of social responsibility and sustainability in a collaborative and thoughtful manner. Our RISE values of Respect, Integrity, Service and Excellence are paramount to this policy.
3. Tracking - we will provide procurement technology at all stages of the procurement cycle that allows both CBRE and its suppliers to monitor and measure suppliers' ESG performance from supplier selection through to onboarding and relationship management metrics. CBRE will provide a compulsory supplier assessment will be used to identify and support partners with improvement plans to meet the targets.

3. Supplier Requirements

CBRE UK expects its suppliers in all industries and of all sizes to comply with the regulations related to both their location of operations and scope of their activities. In addition our suppliers are expected to adhere to the following requirements:

3.1 PLANET

Carbon Emissions: Preferred suppliers are expected to have set a Net Zero Carbon target by 2023. This should target net zero by 2035 including scope 1, 2 and 3 with an associated plan including:

- Annual carbon reporting via [CDP](#)
- SBTi commitments
- Energy consumption reductions
- Switches to renewable energy sources
- Targets to achieve a Net Zero Carbon Fleet by 2030

All suppliers who are not preferred are expected to be taking steps to reduce their carbon footprint and have a plan leading to Net Zero emissions.

Non-Carbon Impacts: Suppliers should evaluate and monitor their environmental performance in relation to its own operational impact and set appropriate goals and measures in order to minimise the associated impact. Such measures may include:

- Protecting, preserving and enhancing biodiversity
- Reducing waste of all kinds and aim for zero waste to landfill in the near future
- Provide services that are low in water intensity
- Understand the environmental impact of all of their activities on the environment from design to delivery
- All paper and timber-based products used by suppliers should prioritise credible chain of custody certifications

3.2 PEOPLE

Social Diversity, Equality and Inclusion (DE&I) & Local Economy: CBRE UK is committed to support and trade with both diverse, local and independent businesses to enable the local economy to thrive and drive economic advantage into underrepresented groups, either directly or via its partners. Suppliers are expected to promote and act upon DE&I within their organisation, ensuring all employees are trained in these principles and monitor its own performance in this matter. Wherever possible, diverse suppliers within the supply chain should be encouraged to be used. Medium to large businesses are expected to report on their gender Pay Gap. Suppliers are expected to prioritise local independent businesses and people in the locality of sites where we operate.

Personal Development: Suppliers are expected to be proactive and offer meaningful employment and skills development opportunities to all its employees. CBRE UK firmly encourages supporting underserved populations in their communities through work opportunities, which may include internships and apprenticeships, helping people to build skills and reach their potential.

Welfare: CBRE UK aspire to have its entire value chain's participants paid the living wage appropriate to the supplier's geographic location. Wherever possible preference will be given to suppliers with Real Living Wage certification. All staff on zero hours contracts must be offered alternate contract arrangements or endeavours made to sign a declaration stating that they voluntarily wish to remain on a zero-hour contract.

Health & Safety: We expect medium and large companies to operate an IAF body certified ISO 45001 management system and smaller businesses to have suitable procedures in place to keep its workforce safe at all times. The supplier is expected to monitor its Health & Safety performance to drive continuous improvement in its organisation.

3.3 PRACTICES

Financial Due Diligence: Suppliers will be checked for their financial viability and resilience as part of an ongoing risk assessment process.

Governance: Suppliers are expected to procure goods and services in accordance to all relevant UK and international legislation. We expect medium and large companies to operate an ISO 9001 management system certified by an IAF accredited certification body and smaller businesses to have suitable procedures in place to manage the quality of their operations. An alternative to this is for a registration with ecoVadis and score above 45/100.

Suppliers must comply with the Ethical Trading Initiative's 10 principles in everything they do:

- Employment is freely chosen
- Freedom of association
- Working conditions are safe and hygienic
- Child labour shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhumane treatment is allowed

Wherever possible preference will be given to suppliers certified to SA8000. Suppliers are expected to have procedures in place to comply with the Modern Slavery Act 2015 and to have provided training to their workforce. Suppliers are expected to comply with and have trained their workforce in accordance with the Bribery Act 2010. Suppliers should avoid conflict of interest with this policy and the CBRE UK business in general and take steps in reporting and resolving any conflicts it finds in its own organisation and those of its supply chain. Suppliers are expected to have a prompt payment policy in place and actively monitor their performance in meeting this objective.

We expect medium and large companies (as per Government definition) to operate an ISO 14001 management system certified by an IAF accredited certification body and smaller businesses to have suitable procedures in place to manage their environmental impacts.

Continuous improvement: Suppliers are expected to have a long-term plan in place to improve its sustainability performance and the willingness to work with CBRE UK to develop innovative solutions to address ESG issues, share best practices and implement new initiatives.

Category approach: Specific industries will be required to adhere to additional requirements on top of this policy to reflect the specific impact of their activities. Category specific policies are as follows:

- HVAC Procurement Policy
- Cleaning Procurement Policy
- Catering Procurement Policy
- Waste management Policy

CBRE UK Catering Services Procurement Policy

1. Overview

Catering services are an essential part of the workforce wellbeing when working from the office. Catering services providers are a major contributor to people's health, carbon emissions, water use, land use and plastic pollution. Through the services, suppliers are also able to influence waste management and promote best practices through their own supply chain.

Catering suppliers of CBRE UK are responsible for adhering to this policy in addition to the CBRE UK Sustainable Procurement Policy UK.

2. CBRE UK Commitments

CBRE UK is committed to support its clients in sourcing catering suppliers that provide the best services while positively impacting people and the planet. CBRE UK is promoting a collaborative approach and would expect its catering services providers to share best practices and innovation.

3. Supplier Requirements

In addition to complying with all the relevant legislation and our sustainable procurement policy, our suppliers are expected to adhere to the following requirements:

Environment: Suppliers are expected to demonstrate that they are conducting initiatives within their own operations that positively contributes to the environment. Use of palm oil should be minimised or replaced with sustainable alternatives. As a minimum, all products containing palm oil must be certified sustainable. All suppliers must provide non-meat alternatives and set targets to reduce the amount of meat products purchased by 30% (weight) by 2030. Suppliers are strongly encouraged to favour local and seasonal sourcing, promote local suppliers, support social enterprises in order to reduce food miles. Suppliers are expected to ensure compliance with UK animal welfare regulations and to actively promote animal welfare practices within their supply chain. Suppliers are expected to manage their water consumption and contribute to the water consumption reduction objectives of the buildings where they operate. Suppliers are expected to tightly manage food waste and collaborate with either local food share charities and/or the building's waste management companies to divert their waste to food digesters or any other systems transforming waste into energy. Suppliers are expected to minimise use of plastic and work with their own suppliers to minimise plastic waste through alternative biodegradable or compostable materials. Suppliers are expected to develop additional procedures to accelerate the elimination of waste to landfill.

Social - Health & Safety: As a guarantee of quality and food safety, suppliers are expected to source their raw materials from BRC/ SALSA accredited suppliers. Suppliers are expected to provide their workforce with the relevant health & safety and Food handling training. Services providers are expected to support wellness through healthy and sustainable diets that positively impact people and planet. Services providers, who are not mandated to by law, are encouraged to publish their gender pay gap report. Service providers in the catering industry have a unique opportunity to be an active employer in the communities where they operate, creating opportunities for underserved populations and being a major contributor to the reduction of inequalities.

Governance: Suppliers are expected to screen its own supply chain for environmental and societal practices, provide annual reports on the following for each CBRE UK contract:

- Volume of Palm Oil contained in products (actual, % certified sustainable, % non-certified sustainable, annual change)

- Meat use (actual by weight, annual change, ratio of meat to non-meat)
- Average food miles (miles, annual change)
- Products disaggregated by certifications (%)
- Water consumption of products purchased (actual, annual change)
- Paper/card/timber based packaging chain of custody certified (%)
- Packaging certified biodegradable/compostable (%)
- Packaging disaggregated by materials (%)
- Plastic use by single-use and multi-use (weight, annual change)

Suppliers are expected to prioritise and promote the following certifications:

- Organic
- Fair trade
- Soil Association
- Red Tractor Assured

CBRE UK Cleaning Services Procurement Policy

1. Overview

Cleaning services plays a significant part in the maintenance of a building, the wellbeing and health of the workforce, and the business reputation. CBRE UK is determined to work with the right suppliers who provide the best services, committed to minimising the environmental impact of their activities while treating their workforce fairly and ensuring their safety and wellbeing.

Cleaning suppliers of CBRE UK are responsible for adhering to this policy in addition to the CBRE UK Sustainable Procurement Policy UK.

2. CBRE UK Commitments

CBRE UK is committed to collaborate with suppliers to meet its environmental and societal objectives. When applied to cleaning services, it focuses on providing the suppliers' workforce with a safe and respectful environment to work in and minimising the impacts of the cleaning products used.

3. Supplier Requirements

In addition to complying with all the relevant legislation and our sustainable procurement policy, our cleaning suppliers are expected to adhere to the following requirements:

Environment: Cleaning activities use energy, water and chemicals, and impact on waste management. Suppliers are expected to run their activities with the least impact on the environment and report on their impacts. Suppliers are expected to use energy and water efficient equipment. Suppliers are expected to use low impact cleaning products emitting low or zero VOC's and carrying credible certifications such as EcoLabel. Cleaning services providers have a critical part to play in waste management and are responsible for providing solutions to minimise waste to landfill. Provide spill prevention training and spill response materials appropriate to the job

Social: Suppliers are expected to train their staff in all matters related to cleaning, hygiene and interaction with customers, including safe handling of all cleaning products and equipment. Suppliers are expected to provide the right level of supervision and control in order to allow for the service to be delivered and staff to improve their skills. Suppliers are expected to run background checks on their workforce, particularly where contracts involve potential interaction with children and vulnerable people. Suppliers are expected to pay a living wage to their employees appropriate to their geographic location. Suppliers are expected to determine the right size of their teams for the task at hand, developing cleaning schedules that respects the wellbeing of their employees and provides flexibility where possible. Suppliers should identify opportunities to support local unemployment programmes and drive positive change to their local communities. Suppliers must check for common signs of Modern Slavery, i.e. multiple employees with the same bank details

Governance: Suppliers are expected to hold the following policies: Health & Safety, Equality and Diversity, Environment and Modern Slavery. Provide an inventory of chemicals and products, with associated sustainability credentials and COSHH safety data sheets. CBRE UK would welcome suppliers being members of industry associations such as British Institute of Cleaning Science, Worldwide cleaning industry association with the aim of bringing to us best practices and innovation.

CBRE UK HVAC Procurement Policy

1. Overview

HVAC systems are a major contributor to energy consumption and GHG emissions in every building, while also representing a great energy efficiency opportunity. HVAC system providers must ensure that they deliver equipment and services that meet CBRE UK ESG targets. HVAC systems are responsible for maintaining the air quality, its temperature and humidity in a building, as such guaranteeing people’s wellbeing and health. COVID 19 has heightened the need to manage the quality of air in order to keep the workforce safe.

HVAC suppliers of CBRE UK are responsible for adhering to this policy in addition to the CBRE UK Sustainable Procurement Policy.

2. CBRE UK Commitments

CBRE UK is committed to co-design the best possible system and set up for the HVAC in order to drive an efficient system that respects people’s and the planet’s health.

3. Supplier Requirements

In addition to complying with all the relevant legislations and our sustainable procurement policy, our suppliers are expected to adhere to the following requirements:

Environment: All systems must have an operational Net Zero Carbon plan. All procedures related to an HVAC system must take into consideration energy efficiencies, need for regular maintenance in order to optimise the overall functioning of the system, extend its life and minimise its impact on the environment. Suppliers are expected to provide a responsible design with the lowest possible environmental impact from manufacturing to operation. Suppliers are expected to provide training to facilities managers to ensure the system is run optimally. Suppliers are encouraged to provide innovative solutions that enable transition away from fossil fuel towards renewable energies and support meeting ‘Green Building’ standards. The systems must enable buildings run by CBRE UK to be compliant with Energy Performance of UK Building regulations and voluntary standards where required. Should refrigerants be part of the design, losses must be avoided and monitored during the life cycle of the equipment. Systems using F-Gases or other alternatives with the lowest possible Global Warming Potential (GWP) should be prioritised which may include, but should not be limited to:

Refrigerant	GWP
Ammonia (R-717)	Near zero
Carbon dioxide (R-744) (with a GWP of 1).	1
Low-GWP Hydrofluorocarbons (HFCs)	Less than 1
Hydrofluoro-olefins (HFOs)	Less than 1
Hydrocarbons (HC) (e.g., propane [R-290] and isobutene [R-600a])	Less than 4
HFC-152a	138
HFC-32	677

The environmental impact of materials used in HVAC products must also be considered, in particular the responsible sourcing of metal components (i.e. ASI) and choice of insulation. Plastics should be minimised where possible. Systems should also be designed for deconstruction so they can easily be dismantled and parts reused when the system or the building comes to the end of its life. Preference will be given to suppliers offering takeback schemes

Social - Health & Safety: At a minimum, Suppliers must meet the statutory requirements. COVID 19 has added challenges to facilities managers to keep people safe from contagions. HVAC suppliers are expected to provide additional services to maintain the HVAC system free of microbiological load through, for example, recommended cleaning regimes or installation of High Efficiency Particulate Air filters. Suppliers are expected to provide qualified and trained personnel to install, run and maintain systems

Governance: All HVAC suppliers must provide at least annual reports on refrigerant use and leakage as follows:

- Recharge by refrigerant type (weight)
- Leaks by refrigerant type (weight)

¹ Project Drawdown: <https://drawdown.org/solutions/alternative-refrigerants/technical-summary>

² Aluminium Stewardship Initiative: <https://aluminium-stewardship.org/>

CBRE UK Waste Management Services Procurement Policy

1. Overview

Waste management services have a critical part to play in transitioning towards a positive environmental impact. The appropriate waste management procedures and tools must enable the reduction, reuse, repair and recycling of resources and should become second nature for all involved.

Waste contractors of CBRE UK are responsible for adhering to this policy in addition to the CBRE UK Sustainable Procurement Policy UK.

2. CBRE UK Commitments

CBRE UK is committed to decrease the amount of waste generated through its own operations and its clients', and promotes the reduction, reuse, repair, recycle and recover hierarchy for waste. CBRE UK champions the sharing of best practices and innovation in the field of waste.

3. Supplier Requirements

This translates into a need to collaborate with waste management services providers that hold the relevant licences to handle specific waste and to respect the UK Government Waste Hierarchy.

In addition to complying with all the relevant legislations and our sustainable procurement policy, our suppliers are expected to adhere to the following requirements:

Environment: Suppliers are expected to treat waste according to the Government hierarchy and provide specialist support to waste management of electronic goods, batteries and any other hazardous waste. Waste treatment is expected to be part of the environmental solution for clients such as collection route efficiency and generation of low carbon energy from waste, where this is unavoidable. Suppliers are expected to deploy all means to minimise waste to landfill and suppliers must provide details of their waste carrier licenses and permit details of waste disposal sites, and immediately inform CBRE UK of any issues with these

Social: Health & Safety procedures and training for staff is expected. Suppliers are expected to be active participants to the circular economy by working with clients and providers to distribute surplus resources to members of communities in need or identify organisations who require the resources collected ahead of disposal decisions. All staff members must receive suitable functional skills to perform waste management.

Governance: All waste movements will be documented with a legally compliant waste transfer note, consignment note or season ticket including the following information as a minimum:

- Description of Waste
- EWC/LOW Code for each waste stream
- Volume of each waste stream
- Commitment to the waste hierarchy
- Location waste was produced
- Name of company collecting the waste
- Environmental permit details
- Carrier/broker/dealer license details
- Address waste to be transferred to
- Transferor signature
- Transferee signature

Provide verifiable monthly recycling and recovery rates as percentages. Suppliers are expected to screen its own supply chain for environmental and societal practices.

All waste contractors must provide at least quarterly reports on waste performance by waste stream, using appropriate EWC/LOW codes, including the following as a minimum for each CBRE UK contract:

- Percentage of waste to landfill (%)
- Percentage of waste reused (%)
- Percentage of waste recycled (%)
- Percentage of waste to energy (%)
- Total waste to landfill (Tonnes)
- Total waste diverted (Tonnes)
- Carbon emissions associated with waste management (tonnes CO₂e)

Accolades such as BITC, Excellence in Recycling and Waste Management would be positively considered in the selection of service providers